

3. The third guideline is fair compensation. The freight railroads are not public utilities. We are publicly held companies, operating on private property that has been purchased and maintained by private investment. For that reason, we simply cannot ask our shareholders and customers to subsidize the cost of commuter rail and rail transit operations. As freight rail assets being used. This is no different than a homeowner requiring from an interested buyer the market price for his or her home. Additionally, the passenger authority requesting access to the right of way must be willing to pay for the feasibility studies and internal staff resources necessary for the railroad to review the proposal. Finally, the full cost of any new facilities that are approved by the railroad will be borne by the passenger authority.
4. The final guideline is liability protection. Despite our record as one of the nation's safest railroads, accidents can and do happen. Although the likelihood of catastrophic derailment is low, the potential does exist for a freight accident to occur simultaneously with the passing of a commuter rail or rail transit operation. We absorb, but minimize, these risks today as part of freight train operations. However, the imposition of thousands of passengers into a freight rail corridor changes the risk factors substantially and creates the possibility of a catastrophic accident when no such potential exists today. It is simply not reasonable to ask that any freight railroad subject itself to new liability risks in today's increasingly litigious society. Consistent with sound business practices, CSXT requires substantial insurance coverage as a condition to any new use of its properties for passenger purposes.

Careful planning and execution allowing for the co-existence of freight and passenger trains on CSXT corridors – many of which are already congested – are prerequisites to preserving the safety, reliability and efficiency of both freight and passenger operations. To that end, no new passenger train starts will be permitted over and above pre-existing contractual agreements, though CSXT may consider the addition of passenger trains in cases where publicly funded capacity improvements are made to its right-of-way. Additionally, government-sponsored acquisition of rights-of-way as well as publicly funded improvements to the existing physical plant are essential prior to the introduction or addition of high-speed rail service.

Rail is a viable alternative to highway traffic congestion but it cannot come at the expense of CSXT's freight rail system. The United States has, in terms of performance and productivity, the best freight rail system in the world. But we are sure to lose this distinction, and we will never approach world-class status for passenger rail systems if each is forced to work within the confines of the other.